

April 01, 2020

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001 BSE Scrip Code: 532636	The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5 Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051 NSE Symbol: IIFL
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Sub: Update - Composite Scheme of Arrangement.

Dear Sir/ Madam,

In furtherance to our intimation dated March 30, 2020 in relation to effecting the merger of India Infoline Finance Limited with IIFL Finance Limited in terms of Composite Scheme of Arrangement as approved by the Hon'ble NCLT on March 07, 2019, the Memorandum and Article of Association of the Company are altered and the brief details thereof are as under:

- A.** Clause V i.e. Capital Clause of Memorandum of Association is altered and the authorized share capital of the Company is increased to Rs. 971,05,00,000 divided into 235,52,50,000 equity shares of Rs. 2 /- each and 50,00,00,000 preference shares of Rs. 10/- each.
- B.** Article 2 i.e. Interpretation of the Articles of Association is altered by inserting the following sub-articles:

“Affiliate” means, in relation to any Person, any entity Controlled, directly or indirectly, by that Person, any entity that Controls, directly or indirectly, that Person, or any entity under common Control with that Person or, in the case of a natural Person, any relative (as such term is defined in the Act) of such Person. For the purpose of this definition:

- (i) A holding or subsidiary company of any entity shall be deemed to be an Affiliate of that entity; and
- (ii) The Company shall be deemed not to be an Affiliate of the Investor;

“Control” means (including with correlative meaning, the terms Controlled by and under common Control with) the acquisition or control of more than 50% (Fifty Percent) of the voting rights or of the issued share capital of a Person or the right to appoint and/or remove all or the majority of the members of the board or other governing body of a Person, the power to direct or cause the direction of the management, and exercise significant influence on the management or policies of a Person, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, through Contract or otherwise;

“ESG” means environmental, social and governance matters;

“ESG Action Plan” means an environmental, social and governance action plan in the Agreed Form defining actions, responsibilities, budgets, deliverables, compliance indicators, and a timeframe for the measures required to remedy the known non-compliances with the ESG Requirements in the

IIFL Finance Limited (formerly known as IIFL Holdings Limited)

CIN No.: L67100MH1995PLC093797

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Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604 Tel: (91-22)

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business activities of the Company, including the establishment of an appropriate ESG Management System, as may be amended with the approval of the Investor from time to time;

“ESG Policy” means the policy framed by the ESG Committee of the Company on ESG related matters;

“ESG Management System” means the part of the overall management system of the Group dedicated to the systematic and structured improvement of environmental, social and governance performance, targeted to identify and manage ESG risks and opportunities in both the Group’s activities and in the loan and investment appraisal and management processes, integrated in the Group’s organisational structure, planning activities, responsibilities, practices, procedures, processes and resources, which meets the ESG Requirements; and is satisfactory to the Investor;

“ESG Requirements” means, to the extent applicable to any Group Company, the requirements set out in the ESG Policy;

“Group” means all the Group Companies;

“Group Company” means the Company and any company which is at any time a Subsidiary of the Company;

“Investor” means CDC Group plc and its successors and assigns;

“Investor Director” has the meaning attributed to it in Article 145A below;

C. Articles of Association is altered by inserting the following new Articles:

145A. Until such time that the Investor or his affiliates continue to beneficially own 8% of the equity share capital of the Company, the Investor may nominate 1 (One) director (Investor Director), who shall not be liable to retire by rotation. No Person, other than the Investor, shall have the power or right to remove and replace the Investor Director, unless such Investor Director has been removed due to any illegal/ immoral act, fraud or dishonesty. To the extent permissible the Act, the appointment of the Investor Director shall be by direct nomination by the Investor and any appointment or removal, unless the contrary intention appears, shall take effect from the date it is notified to the Company in writing. If the Act does not permit the Person nominated by the Investor to be appointed as a director or additional director of the Company merely by nomination by the Investor, the Board shall ensure that the Board forthwith (and in any event within 2 (Two) days of such nomination or at the next Board meeting, whichever is earlier) appoints such Person as a director or additional director, as the case may be, of the Company and further ensure that, unless the Investor changes or withdraws such nomination, such Person shall also be elected as a director of the Company at the next general meeting of the shareholders of the Company.

145B. If the Investor ceases to hold 8% of the equity share capital of the Company, but holds at least 5% of the equity share capital of the Company, the Investor may, at any time, nominate an individual as an observer (“Observer”) to the Board of the Company. Such Observer, subject to applicable laws shall have the right to attend any and all meetings of the Board and of all committees of the Board.

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- 145C.** Subject to the applicable law, the Observer shall have the right to receive all information, notices and materials as shall be provided to the directors
- 145D.** Subject to 145B above, the Investor Director shall be entitled to be a member of, or at the option of the Investor, an invitee on all the committees of the Board including the remuneration committee, ESG Committee and audit committee, each of which will remain constituted at all times.
- 169A.** The Company shall constitute a committee of the Board to formulate the ESG Policy, supervise the ESG Management System and to monitor the Company's overall compliance with the ESG Requirements and the ESG Action Plan (ESG Committee).
- 169B.** The ESG Committee shall comprise of a minimum of 2 (Two) directors and a maximum of 4 (Four) directors, including the Investor Director.
- 169C.** The ESG Committee shall have the ability to co-opt or invite persons (including persons who are not directors of the Company) to provide expertise, if required. The members of the ESG Committee shall be appointed with the Consent of the Investor.
- 169D.** The ESG Committee will reach decisions by a majority vote.

Kindly take the same on record and oblige.

Thanking you,

For IIFL Finance Limited
(Formerly known as IIFL Holdings Limited)

Gajendra Thakur
Company Secretary
Place: Mumbai